

IN THE  
United States Circuit Court  
of Appeals

FOR THE  
NINTH CIRCUIT

CLAUDE REES, CHARLES F. HINE, REES BLOW  
PIPE MANUFACTURING COMPANY, INC. (a  
corporation), and PROGRESSIVE EVAPORATOR  
COMPANY, INC. (a corporation),

*Defendants-Appellants,*

VS.

NORMAN LOMBARD, MONTGOMERY FLYNN,  
WILLIAM T. ECKHOFF, NORMAN LOMBARD  
and ELLEN LOMBARD, Trustees for Ellen  
Lombard, Elizabeth Lombard and Norman  
Lombard, Junior.

*Plaintiffs-Appellees.*

Reply to Petition for Modification  
of Judgment

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REPLY TO PETITION FOR MODIFICATION  
OF JUDGMENT

Appellees' petition for modification of the judgment of this court herein, takes exception to that portion of the court's ruling which directs elimination from the decree of both injunctive and compensatory relief for

so-called infringement of the two pending applications for patents referred to in said decree. The reasons and necessity for such ruling are clearly and correctly set forth in the opinion of the court herein and are in accordance with the law in this circuit as heretofore declared by this court.

*Columbia and N. R. R. Co. vs. Chandler*, 241  
Fed. 261, 263. (C. C. A. 9th.)

In view of these circumstances, a brief in reply to appellees' petition is not justified. It may be helpful to the court, however, to point out that in various respects the propositions urged in said petition are premised upon alleged facts outside the record herein so that such propositions are necessarily untenable.

The substance of the entire argument in the petition is that:

(a) the devices complained of, and which the trial court found infringed the patent in suit, also embodied the two inventions respectively covered by the applications; that

(b) sale of such devices therefore violated appellees' alleged rights in said applications; that

(c) such violation of said alleged rights was therefore incidental to and grew out of the infringement of the patent and therefore that

(d) relief should be given in this one suit for such violation as well as for infringement of the patent irrespective of the question of federal jurisdiction over the alleged cause of action with respect to the applications.

The whole argument above manifestly is founded upon the premise (a), supra, to the effect that the de-

vices complained of embodied *both the invention of the patent and also the inventions of the two applications.*

The alleged facts of said premise nowhere appear in the record herein. Said record is wholly devoid of any finding or of any evidence that such *three* inventions, that is, of the patent and of each of the two applications, were embodied in the devices complained of. On the contrary, the only finding of the court below in this regard shows that said devices *only embodied the patented invention, if any.* The trial court said:

“Thenceforward, plants of *the patent* by the licensees or licensors or both have been manufactured and sold.” (R. 87.)

Clearly, if “plants of the *applications,*” to use the trial court’s form of expression, had been made or sold, the court would have so found and would not have limited the statement in its opinion to “*plants of the patent.*” In this respect the court’s finding was in accord with the prayer of the bill as pointed out in this court’s opinion herein.

Appellees further assert (Petition p. 4) that the license agreement provided that royalty was payable on devices embodying *all three* inventions and that therefore all three inventions were embodied in the devices complained of.

Here again the record is to the contrary. The agreement recited that said devices embodied “the said inventions, *or some of them.*” (R. 38.)

It granted a license with respect to “devices embodying said inventions *or some of them*” and it was on

"said devices" (R. 48) so embodying *any one* of the three inventions that royalties were payable. The license agreement therefore is no evidence whatsoever that the devices complained of embodied any more than *one* of the three inventions in question.

The above is sufficient to show that the premise upon which the whole argument of the petition is founded is based entirely upon *assumed facts not in the record*.

It follows that appellees' contention that infringement of the patent necessarily comprised manufacture and sale of devices embodying the inventions of the applications is untenable. Likewise it follows that such so-called infringement of the applications is not incidental to infringement of the patent and therefore appellees' sole basis for their contention that the federal court could grant relief as to all appellees' claimed rights, both with respect to the patented and unpatented inventions, must fall because based upon alleged facts not in evidence. Said last contention also is conclusively answered by this court's ruling that the trial court had no jurisdiction to grant any relief with respect to alleged rights in the unpatented inventions.

There is a further and equally conclusive answer to the same contention. Irrespective of the question of jurisdiction, *no court, state or federal*, has the power to grant the relief sought as to the applications. As this court has clearly held in its opinion, there is no property and there are no rights in an unpatented invention which can be injured or violated and therefore no relief can ever be awarded for any such alleged injury or violation. Appellees have cited no case and we have not

been able to find any case in which any court, *state or federal*, has granted relief such as appellees here seek with respect to the unpatented inventions. Surely, such authority would have been cited on behalf of appellees if any such could be found.

On the contrary, appellees cite cases which by their very inapplicability demonstrate the absence of authority to substantiate their contentions. The cases so cited, of which *Vogue Co. vs. Vogue Hat Co.*, 12 Fed. (2nd) 991 is one, are merely illustrative of one of two conflicting lines of authority. They deal with situations where two recognized causes of action are alleged in one bill, one for patent infringement and one for unfair competition. The question arises in such cases whether a federal court, having jurisdiction of the patent issue, can also award relief on the unfair competition issue of which it would otherwise have no jurisdiction. The best reasoned cases deny such power to grant relief on the issue of which it would not otherwise have jurisdiction. See the following cases, from which we quote only the pertinent syllabi:

“A federal court is not given jurisdiction of a suit for unfair competition between citizens of the same state by the fact that it is joined with a cause of action for infringement of a patent, nor because the unfair competition charged is connected with the sale of the alleged infringing articles.”

*Unit Const. Co. vs. Huskey Mfg. Co.*, 241 Fed. 129.

“A bill, alleging infringement of a patent in the manufacture and sale of filters and unfair competition in selling filters, and praying for an injunction

restraining the infringement and the sale of filters in the types of packages complained of, is demurrable, where both parties are citizens of the same state, on the ground that the court has no jurisdiction over the unfair competition”;

*Johnston et al. vs. Brass Goods Mfg. Co.*, 201 Fed. 368.

“Unfair competition in trade is not a federal question, and a suit therefor is not within the jurisdiction of a federal court, where the parties are citizens of the same state; nor is that issue drawn within such jurisdiction because the bill also alleges infringement of a patent growing out of the same acts of defendant.”

*Mecky vs. Grabowski et al.*, 177 Fed. 591.

“A bill to restrain the infringement of a patent, which thus presents a Federal question, does not draw within the jurisdiction of the Circuit Court a further issue as to unfair competition in trade, although it grows out of the same acts of defendant; the two causes of action being independent of each other.”

*Cushman vs. Atlantis Fountain Pen Co. et al.*, 164 Fed. 94.

“A complainant in a federal court cannot join with a cause of action for infringement of a patent one for unfair competition in trade, although both relate to the same subject-matter, where there is no allegation of diverse citizenship to give the court jurisdiction of the second cause.”

*C. L. King & Co. vs. Inlander*, 133 Fed. 416.

We have here, however, no such situation. No cause of action for unfair competition or any cause of action



whatever is attempted to be set forth in the bill herein except that for *infringement of the patent and of the applications*. In this suit, therefore the relief sought in addition to that for patent infringement is not upon a recognized cause of action as in the cases cited by appellees but is of a sort which no court, has ever, or can ever grant, because as stated, there are no rights or property in an unpatented invention which can be violated or afford ground for any relief.

*Columbia and N. R. R. Co. vs. Chandler*, 241  
Fed. 261, 263 (C. C. A. 9th).

It is respectfully submitted that insofar as the ruling of this court modifies the decree herein, it is fully in accord with the authorities and that the judgment herein in that respect should not be modified.

San Francisco, September 14, 1927.

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